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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/759,487	01/12/2001	Robert Kohler	452202000100	1746

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MORRISON & FOERSTER LLP  
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SAN FRANCISCO, CA 94105-2482

EXAMINER
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COSIMANO, EDWARD R

ART UNIT	PAPER NUMBER
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3629

DATE MAILED: 02/08/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

## Office Action Summary

Application No.

09/759,487

Applicant(s)

KOHLER ET AL.

Examiner

Edward R. Cosimano

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 12 January 2001.
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-20 is/are pending in the application.
- 4a) Of the above claim(s) none is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-20 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☒ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_.
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_\_.

1. Applicant should note the changes to patent practice and procedure:
  - A) effective December 01, 1997 as published in the Federal Register, Vol 62, No. 197, Friday October 10, 1997;
  - B) effective November 07, 2000 as published in the Federal Register, Vol 65, No. 54603, September 08, 2000; and
  - C) Amendment in revised format, Vol. 1267 of the Official Gazette published February 25, 2003.
2. Applicant's claim for the benefit of an earlier filing data under 35 U.S.C. § 119(e) is acknowledged.
3. The disclosure is objected to because of the following informalities:
  - A) at least the following errors have been noted in the specification:
    - (1) it is noted that in the paragraph located at page 5, lines 4-5, "Figures 2 and 2a show a flow diagram of the process of the present invention which enables a product transfer from a seller to a buyer.", the reference to fig. "2a" should be --2A--, so as to be consistent with the label of this figure.
    - (2) it is noted that in the disclosure lacks an explicit reference to fig. 2A as this figure is described in the paragraph located between page 20, line 6, and page 23, line 5, "At step 235, server ... payment is transferred from the buyer to the seller account."
    - (3) the specification lacks a statement of --We claim:--, (see MPEP 608.01(m)).

Appropriate correction is required.

4. The specification and drawings have not been checked to the extent necessary to determine the presence of all possible minor errors. Applicant's cooperation is requested in correcting any errors of which applicant may become aware in the specification or drawings. Applicant should note the requirements of 37 CFR § 1.52, 37 CFR § 1.74, § 1.75, § 1.84(o,p(5)), § 1.121(a)-1.121(f) & § 1.121(h)-1.121(i).

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5. Claims 1-20 are rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

5.1 In regard to claims 1, 13, 14, 19 & 20, although one of ordinary skill at the time of the invention would know how to accomplish each of the individual recited actions/functions from the language of these claims, since, there is no clear and definite interconnection between one or more of the recited limitations of these claims, one of ordinary skill could not determine from the language of these claims whether or not they are in fact making and/or using the claimed invention. In this regard it is noted that from the language of these claims it is vague, indefinite and unclear:

A) in regard to claims 1 & 19, and how an appropriate "mailer" may be determined so that the "mailer" may be sent to the "seller" for packaging the purchased requested product, since the invention as recited in this claim fails to either specify, indicate, set forth or determine at least the minimum shipping related requirements for the requested product that would be necessary for one of ordinary skill to correct select an appropriate mailer for the requested product.

B) in regard to claims 13 & 14, and how an appropriate "mailer" may be determined so that the "mailer" may be sent to the "seller" for packaging the purchased requested product, since the invention as recited in this claim fails to either specify, indicate, set forth or determine at least:

(1) the number of requested products; and

(2) the minimum shipping related requirements for each of the requested products that would be necessary for one of ordinary skill to correct select an appropriate mailer for the requested product; and

(3) the weight of each of the requested products.

C) in regard to claims 19 & 20, and why a storage component is included to store buyer and seller information, since the invention as recited in this claim fails to use this information.

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5.2 Claims not specifically mentioned above, inherit the defects of the base claim through dependency. For the above reason(s), applicant has failed to particularly point out what is regarded as the invention.

6. 35 U.S.C. § 101 reads as follows:

"Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter or any new and useful improvement thereof, may obtain a patent therefore, subject to the conditions and requirements of this title".

6.1 Claims 1-20 are rejected under 35 U.S.C. § 101 because the invention as claimed is directed to non-statutory subject matter.

6.1.1 The instant claims recite a system, (claims 19 & 20), and a method comprising a series of steps to be performed, (claims 1-18), which has a disclosed practical application in the technological or useful arts. Further, the instant claims do not merely define either a computer program, a data structure, non-functional descriptive material, (i.e. mere data) or a natural phenomenon.

6.1.2 In regard to claims 1-20, the invention as set forth in these claims merely describes:

A) in regard to claims 1, 13, 14, 15, 17 & 19, receiving product request based on a displayed list of available products, determining an appropriate package/mailer, and determining the required postage or shipping fee for the requested product and mailer, without combining these separate items into a finished package that may be shipped to the buyer after the buyer has made payment for the requested product and shipping fees (claims 3-7). Where:

(1) although claim 2 combines these parts in to one package, the claimed invention still does not require that the package to be sent to the buyer; and

(2) the exchanges of various types of confirmation in claims 8-12, 16 & 17, the claimed invention still does not require that the package to be sent to the buyer; and

(3) the storage of seller and buyer information in claims 19 & 20, the claimed invention still does not require that the package to be sent to the buyer.

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However, the process/system as recited in these claims does not require the result of either the claim as a whole or the manipulations of data as recited in these claims be applied in any manner so as to be tangibly used in a concrete manner and hence to produce a useful concrete and tangible result, that is a concrete and tangible application with in the technological or useful arts.

6.1.3 It is further noted that applicant has not recited in these claims a specific process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, which is either:

- A) altered or changed or modified by the invention recited in claims; or
- B) utilizes the result of the invention recited in these claims; or
- C) is operated or controlled by the result of the invention recited in these claims.

6.1.4 It is further noted in regard to claims 1-20, that as claimed applicant has not claimed:

A) pre computer processing, since the claims fail to recited that the data, which originates from an unknown source, is manipulated or transformed/changed before it is processed; or

B) post computer processing, since the claims fail to recited that the data which represents the result of the claimed manipulation, is neither manipulated nor used nor changed by any device after it has been processed; or

C) a practical use of the claimed invention by any physical system or device or method outside of a statement of the intended use of the claimed invention; or

D) process steps or physical acts/operations that would affect the internal operation of a computer/machine as were found to be statutory in either In re McIlroy 170 USPQ 31 (CCPA, 1971) or In re Waldbaum 173 USPQ 430 (CCPA, 1972); or

E) process steps or physical acts/operations that would be considered as going beyond the manipulation of "abstract ideas" as were found to be non-statutory in In re Warmerdam 31 USPQ2d 1754 (CAFC, 1994); or

F) a concrete and tangible practical application of either:

- (1) the invention as a whole; or

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(2) the final results of the manipulations/actions with in the technological or useful arts;

note In re Sarkar 200 USPQ 132 (CCPA, 1978) where the process step of “constructing said obstruction within the actual open channel at the specified adjusted location indicated by the mathematical model” was held to be so tenuous connected to the remaining process steps as to not be a process with in the scope of 35 U.S.C. § 101.

Hence, the invention of claims 1-20 is merely directed to an hypothetical mental exercise that manipulates an abstract idea of receiving information and determining a number, where neither the received information or determined number are required to be used and hence are with out a claimed concrete and tangible practical application of the abstract idea, (note In re Beauregard 35 USPQ2d 1383 (CAFC 1995) and the associated claims of U.S. Patent 5,710,578; and State Street Bank & Trust Co. v. Signature Financial Group Inc. 47 USPQ2d 1596 (CAFC 1998)).

6.1.5 It is further noted that the type/nature of either the data or the calculated numbers does not affect the operation of the claimed invention and hence are considered to be non function descriptive material, (note In re Gulack, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983)).

6.1.6 In practical terms, claims define nonstatutory processes if they:

A) consist solely of mathematical operations without some claimed practical application (i.e., executing a “mathematical algorithm”); or

B) simply manipulate abstract ideas, e.g., a bid (Schrader, 22 F.3d at 293-94, 30 USPQ2d at 1458-59) or a bubble hierarchy (Warmerdam, 33 F.3d at 1360, 31 USPQ2d at 1759),

without some claimed practical application of the mathematics or abstract idea.

6.1.7 In view of the above analysis claims 1-20, as a whole, are directed to an hypothetical mental exercise that merely manipulates mathematics or an abstract idea without a claimed concrete and tangible practical application of the mathematics or abstract idea, and hence are directed to non-statutory subject matter.

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6.2 Claims 1-20 are rejected under 35 U.S.C. § 101 because the invention as claimed is directed to non-statutory subject matter.

6.2.1 As set forth by the Court in:

A) In re Musgrave 167 USPQ 280 at 289-290 (CCPA 1970), “We cannot agree with the Board that these claims (all the steps of which can be carried out by the disclosed apparatus) are directed to non-statutory processes merely because some or all of the steps therein can also be carried out in or with the aid of the human mind or because it may be necessary for one performing the process to think. All that is necessary, in our view, to make a sequence of operational steps a statutory “process” within 35 U.S.C. 101 is that it be in the technological arts so as to be in consonance with the Constitutional purpose to promote the progress of “useful arts.” Cons. Art. 1, sec. 8.”, {emphasis added}; and

B) In re Sarkar 100 USPQ 132 @ 136-137 (CCPA 1978), echoing the Board of Appeals stated in regard to claim 14 “14. A method of locating an obstruction in an open channel to affect flow in a predetermined manner comprising:

a) obtaining the dimensions of said obstruction which affect the parameters of flow;

b) constructing a mathematical model of at least that portion of the open channel in which said obstruction is to be located in accordance with the method of claim 1 using those dimensions obtained in step (a) above;

c) adjusting the location of said obstruction within said mathematical model until the desired effect upon flow is obtained in said model; and thereafter

d) constructing said obstruction within the actual open channel at the specified adjusted location indicated by the mathematical model.”;



and “Concerning claims 14-39 and the significance of “post-solution activity,” like building a bridge or dam, the board concluded: While it is true that the final step in each of these claims makes reference to the mathematical result achieved by performing the prior recited steps, we consider the connection to be so tenuous that the several steps recited in each claim when considered as a whole do not constitute a proper method under the statute.”, {emphasis added}.

6.2.2 Further, it is noted in regard to claims 14-39 of Sarkar, although step (d) of claim 14 of Sarkar references the result of step (c) of claim 14 of Sarkar it is clear from the language of step (c) of claim 14 of Sarkar that multiple adjustments to the location of the obstruction are required to be made until a location with the desired effect has been determined. Hence, the reference to constructing the obstruction at the “specified adjusted location” in step (d) of claim 14 of Sarkar is vague, indefinite and unclear in regard to which one of the possible multiple adjusted locations of the obstruction that were used during step (c) of claim 14 of Sarkar would be used when constructing the obstruction as required by step (d) of Sarkar. Therefore, without a clear connection between step (d) of Sarkar and the remaining steps of claim 14 of Sarkar, the Board of Appeals and the Court held that these claims were not a process with in the meaning of process as used in 35 U.S.C. § 101 and hence were directed to non statutory subject matter.

6.2.3 As can be seen from claims 1-20, these claims are directed to a series of devices for performing various functions or steps/actions/functions, which as set forth above in regard to the rejection of claims 1-20 under 35 U.S.C. § 112 2<sup>nd</sup> paragraph, are not clearly and definitely interconnected to one another and therefore do not provide an operative useful machine/system or method/process with in the meaning of machine or process as used in 35 U.S.C. § 101.

6.3 Claims 1-20 are rejected under 35 U.S.C. § 101 because the invention as claimed is directed to non-statutory subject matter, since:

A) in regard to claims 1-20, these claims fail to comply with the “requirements this title, namely 35 U.S.C. § 112 2<sup>nd</sup> paragraph as set forth above.

B) in regard to claims 1-20, these claims fail to comply with the “requirements this title, namely 35 U.S.C. § 103 as set forth below.

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7. The following is a quotation of 35 U.S.C. § 103 which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

(c) Subject matter developed by another person, which qualifies as prior art only under subsection (f) or (g) of section 102 of this title, shall not preclude patentability under this section where the subject matter and the claimed invention were, at the time the invention was made, owned by the same person or subject to an obligation of assignment to the same person.

7.1 Claims 1-20 are rejected under 35 U.S.C. § 103(a) as being unpatentable over either Huxter (2002/0107820) or Buettgenbach et al (2002/0032613) as interpreted by either Jensen (5,331,118) or DeBarber et al (5,793,652) or Dlugos (5,914,463).

7.1.1 In regard to claims 1, 2, 6, 7, 13-15, 17, 19 & 20, either Huxter ('820) or Buettgenbach et al ('613) disclose a computer implemented method/system that under the control of a stored program implements an internet based shopping and shipping system/method. To this end, when a buyer desires to purchase one or more products displayed on the buyer's display from a seller, the buyer would provide the seller with an indication of the buyer's intent via communications network, then the systems of either Huxter ('820) or Buettgenbach et al ('613) would provide the buyer with an indication of the price of each product, an estimation of the postage or shipping charges for the shipping the product from the seller or the seller's agent to the buyer according to the request of the buyer, and any other associated charges, for example, taxes. If the total charges as displayed to the buyer are acceptable to the buyer, then the buyer would tender a mutually acceptable payment for the total charges. Once payment has been tendered, then the requested one or more products would be packed in one or more selected mailer with correct shipping charge applied to the

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mailer and then delivered to the carrier for delivery to the buyer. It is noted that these systems store buyer and seller information.

7.1.2 Although either Huxter ('820) or Buettgenbach et al ('613) disclose the estimation of the shipping charges, neither Huxter ('820) nor Buettgenbach et al ('613) disclose what is considered when determining the correct shipping charges. However, either Jensen ('118) or DeBarber et al ('652) or Dlugos ('463) in the environment of determining shipping charges disclose that the shipping charge for an item is based on:

- A) the weight of the item;
- B) the dimensions of the package/mailer being used to ship the item; and
- C) any special services requested for shipping the item,

as set by the carrier rating structures. Hence, it would have been obvious to one of ordinary skill at the time of the invention that the determination of the estimated shipping charges as taught by either Huxter ('820) or Buettgenbach et al ('613) would consider at least the (1) the weight of the item; (2) the dimensions of the package/mailer being used to ship the item; and (3) any requested special services when estimating the correct shipping charge for the item as taught by either Jensen ('118) or DeBarber et al ('652) or Dlugos ('463).

7.1.3 AS per the types of payment in claims 3-5, since the systems of either Huxter ('820) or Buettgenbach et al ('613) require the buyer to make an acceptable form of payment, it would have been obvious to one of ordinary skill at the time of the invention that any type of payment that would be acceptable to both the buyer and seller could be used to make the required payment absent applicant's showing of an new and unexpected results from a particular method of payment.

7.1.4 In regard to the confirmations of claims 8-12 & 18, since the exchanges between the buyer and seller as set forth above require an action by the receiving party, the above response by one party to the other party would be a confirmation.

7.1.5 In regard to claim 16 and the displaying a rating to the buyer, since a good buyer satisfaction rating would help a seller sell products, it would have been obvious to one of ordinary skill at the time of the invention that any type of payment that the systems of either

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Huxter ('820) or Buettgenbach et al ('613) would display the seller's satisfaction rating to potential buyers.

8. The examiner has cited prior art of interest, for example:

07/82) the IBM Technical Disclosure Bulletin discloses the optimization of a physical transportation network, by iteratively computing the transportation cost associated with an item for a number of different distribution channels.

04/00) Palange et al (EP 0991024) which discloses a postage metering system that can determine the cost of shipping an item for a number of different carriers base on the weight of the item.

9. The shorten statutory period of response is set to expire 3 (three) months from the mailing date of this Office action.

10. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Edward Cosimano whose telephone number is (703) 305-9783. The examiner can normally be reached Monday through Thursday from 7:30am to 6:00pm. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, John Weiss, can be reached on (703)-308-2702. Any inquiry of a general nature or relating to the status of this application should be directed to the Group receptionist whose telephone number is (703) 308-1113.

10.1 The fax phone number for UNOFFICIAL/DRAFT FAXES is (703) 746-7240.

10.2 The fax phone number for OFFICIAL FAXES is (703) 872-9306.

10.3 The fax phone number for AFTER FINAL FAXES is (703) 872-9306.

02/04/05



Edward R. Cosimano

Primary Examiner A.U. 3629